



CALIFORNIA EMERGENCY MANAGEMENT AGENCY
LOCAL ASSISTANCE MONITORING BRANCH
3650 SCHRIEVER AVENUE
MATHER, CALIFORNIA 95655
PHONE: (916) 845-8120 FAX: (916) 845-8380

June 3, 2009

Ms. Faye Washington
Executive Director
YWCA of Greater Los Angeles
3345 Wilshire Boulevard, Suite 300
Los Angeles, CA 90010

SUBJECT: Corrective Action Plan (CAP)
AUDIT REPORT FOR THE PERIOD ENDED JUNE 30, 2008

Dear Ms. Washington:

CalEMA is in receipt of your supplemental Corrective Action Plan documentation. Based on the review of the submitted written policies for the *receipt of cash and checks* and *credit card usage*, CalEMA accepts your CAP, and therefore closes the above noted audit period.

Thank you for your cooperation in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Baldwin".

MICHAEL BALDWIN, CHIEF
LOCAL ASSISTANCE MONITORING BRANCH

Cc: Ann Saldubehere, CalEMA Program Specialist

June 2, 2009

California Emergency Management Agency
Local Assistance Monitoring Branch
3650 Schriever Avenue
Mather, CA 95655



AUDIT REPORT FOR THE PERIOD ENDED JUNE 30, 2008
RC07231123

To begin, please accept our apology for submitting insufficient documentation in our initial response to your concerns.

• **RECEIPT OF CASH AND CHECKS**

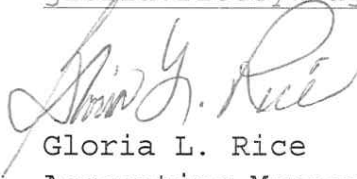
Per our auditors' recommendation, we have just initiated a log in system for all cash and checks received by the YWCA GLA Executive Office. Therefore, all cash and checks flow through the Executive Office as follows:

- All mail/checks are sorted and distributed by the Executive Assistant to CEO
- All checks are retained by the Executive Assistant to the CEO
- The Executive Assistant to CEO and Development Coordinator open all checks together
- Executive Assistant to CEO types up a daily log, which includes date, payer, and amount
- Executive Assistant to CEO directly turns the log in to the Finance Office
- Executive Assistant to CEO gives checks to Development Coordinator
- Development Coordinator receipts checks in sequentially numbered receipt book

- ✓ Reviewed and approved by immediate supervisor or the CEO
- ✓ The CEO's Credit card Log is signed by the Director, Human Resources/Administration; CAO, or CFO.

I am hopeful that this will resolve CaleMA staff concerns regarding CaleMA open audit items expressed. If not, please call me at (213) 251-1335 or e-mail me at

gloria.rice@ywcagla.org.

A handwritten signature in cursive script, appearing to read "Gloria L. Rice".

Gloria L. Rice
Accounting Manager

Attachments

Subgrantee Corrective Action Plan

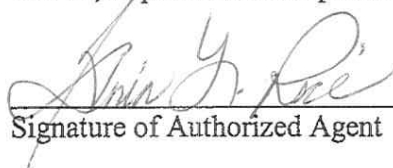
Submit an original and one copy of a "Subgrantee Corrective Action Plan" to the California Emergency Management Agency no later than JUNE 5, 2009 based on the A-133 Audit Report issued on October 31, 2008 by Green Hasson & Janks LLP for the following grant(s):

Grant Number	Review Period
RC07231123	July 1, 2007 – June 30, 2008

For each review Finding, please provide the following information:

Finding: (please include any identifiers included in the report, along with citations as appropriate) RECEIPT OF CASH AND CHECKS	
Contact Name & Title: (this is the person(s) responsible for completing resolved or planned corrective action)	Contact Information: (please provide phone number and e-mail address for each contact)
GLORIA L. RICE	(213) 251-1335
	gloria.rice@ywcagla.org
Corrective Action(s): (include specific objectives and activities completed or planned to address the Finding, with actual or estimated dates)	
Objective or Activity:	Date:
STRENGTHEN INTERNAL CONTROLS OVER	LAST DETAIL CONCERNING
RECEIPT OF CASH AND CHECKS	LOG COMPLETED 6/1/2009
(SEE ATTACHED LETTER FOR	
DETAILS)	

Required Signature: The S/G authorized agent certifies that all corrective action(s) have been, or will be, implemented as specified:

	6/2/09	(213) 251-1335
Signature of Authorized Agent	Date	Telephone

GLORIA L. RICE

Printed name of Authorized Agent

Subgrantee Corrective Action Plan

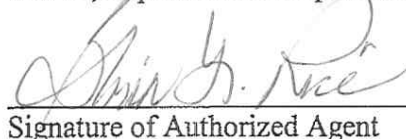
Submit an original and one copy of a "Subgrantee Corrective Action Plan" to the California Emergency Management Agency no later than JUNE 5, 2009 based on the A-133 Audit Report issued on October 31, 2008 by Green Hasson & Janks LLP for the following grant(s):

Grant Number	Review Period
RC07231123	July 1, 2007 – June 30, 2008

For each review Finding, please provide the following information:

Finding: (please include any identifiers included in the report, along with citations as appropriate) INAPPROPRIATE CONTROLS OVER CORPORATE CREDIT CARDS	
Contact Name & Title: (this is the person(s) responsible for completing resolved or planned corrective action)	Contact Information: (please provide phone number and e-mail address for each contact)
GLORIA L. RICE	(213) 251-1335
	gloria.rice@ywcagla.org
Corrective Action(s): (include specific objectives and activities completed or planned to address the Finding, with actual or estimated dates)	
Objective or Activity:	Date:
ORIGINAL RECEIPTS/INVOICES FOR	2/1/2009 WITH DETAILS
CREDIT CARD PURCHASES	(SEE ATTACHED LETTER FOR
APPROVAL AUTHORITY FOR THE	DETAILS)
ORGANIZATION' EXECUTIVE	(SEE ATTACHED LETTER FOR
DIRECTOR	DETAILS)

Required Signature: The S/G authorized agent certifies that all corrective action(s) have been, or will be, implemented as specified:



Signature of Authorized Agent

6/2/09
Date

(213) 251-1335
Telephone

GLORIA L. RICE
Printed name of Authorized Agent

STANDARD OPERATING PROCEDURE

DIVISION Finance	SECTION Expense	PROCEDURE NO. 1:8	PAGE NO. 1 of 1
EFFECTIVE DATE October 15, 2005	REVISION DATE February 1, 2009	SUPERSEDES PROCEDURE DATED October 15, 2005	
SUBJECT OF PROCEDURE Credit Card Usage		CEO APPROVAL 	

A. PURPOSE: To establish a procedure for the proper use of Association credit cards by all employees.

B. POLICY: The credit cards issued to select staff should be used only for Association business and only used when payment by check or cash is not possible. Credit card purchases over \$ 300.00 must receive prior approval from a Senior Manager. Expenses are not to exceed their approved credit limit and/or budget.

C. PROCEDURE:

- Employees that are issued an YWCAGLA Credit Card are responsible for collecting and keeping records of all purchases made with their assigned card.
- Each employee will maintain their own credit card charge log (attached) to be filled out as follows:
 - Date purchase was made.
 - Name of vendor where purchase was made.
 - Brief description of purchase and purpose.
 - For food purchases at eating establishments describe purpose and list names of guest on receipt.
 - Department code of employee.
 - Functional Finance code where the purchase will be charged.
 - Amount of charge.
 - Total amount of all charges.
 - Show corresponding receipt number for individual charges. Receipts for each charge should be numbered by employee for easy reference.
- By the 10th of each month employees should complete and submit credit card log to their supervisor for approval, then CEO for review and submission to the Finance Department for payment.
- The immediate supervisor and/or CEO may disallow charges that are determined not to be YWCA related. Employees are not to use assigned credit cards for personal use.
- Misuse of the Company Credit Card will result in loss of credit card privileges, and/or disciplinary action, up to and including termination.



CALIFORNIA EMERGENCY MANAGEMENT AGENCY
LOCAL ASSISTANCE MONITORING BRANCH
3650 SCHRIEVER AVENUE
MATHER, CALIFORNIA 95655
PHONE: (916) 845-8120 FAX: (916) 845-8380

May 20, 2009

Ms. Faye Washington
Executive Director
YWCA of Greater Los Angeles
3345 Wilshire Boulevard, Suite 300
Los Angeles, CA 90010

SUBJECT: **SECOND REQUEST**
AUDIT REPORT FOR THE PERIOD ENDED JUNE 30, 2008

Dear Ms. Washington:

In a letter dated March 17, 2009, the California Emergency Management Agency (CalEMA), requested a Corrective Action Plan (CAP) to correct the issues identified in the auditor's management letter. The due date for the submission of the CAP was April 17, 2009. To date, CalEMA has not received your CAP.

CalEMA found that your organization's response for a copy of your written policy related to the receipt of cash and checks was insufficient since the policy you provided was for the bank reconciliation process. In the management letter, the auditor noted that all checks received and transmitted to the Fund Development Assistant were not tracked. The auditor recommended that your organization prepare a log for all checks received to ensure that the same number of checks received is subsequently transferred to the Finance Department for deposit and recording in the general ledger. Please provide CalEMA with a written explanation of your organization's process that corrects this issue or an approved written policy addressing this subject matter. The policy or explanation should include the identification of staff responsible for each step of the process. A copy of this policy should be included with your CAP.

CalEMA also reviewed the credit card usage policy used by your organization and found that it is insufficient as it does not indicate that original receipts or invoices for credit card purchases be attached to the credit card statement before submission for approval. The policy also does not identify the approval authority for the organization's Executive Director. Recipient Handbook (RH) Section 6410.1 states, "*The accounting system must provide accurate and current financial reporting information. All accounting records and supporting documentation must maintain a clear audit trail.*" Please revise your written policy so that it provides detailed information of credit card usage and illustrates the minimum division of responsibilities required to ensure adequate internal control in safeguarding grant assets. A copy of this policy should be included with your CAP.

In addition, CalEMA strongly encourages you to implement the auditor's recommendation that management consider reducing the number of corporate credit cards issued and utilize monthly expense reports for reimbursement.

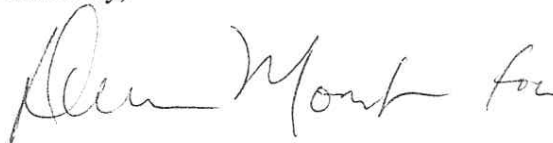
Although submission with the CAP is not required, you are strongly encouraged update and expand your Bank Reconciliation Process to reflect greater detail by identifying staff responsible for each step of the process, ensuring adequate separation of duties. Recipient Handbook Section 6410.2 states, "*The project must establish and maintain a system of internal accounting control adequate to safeguard grant assets, review the grant accounting and financial data for accuracy and reliability, and promote operational efficiency.*" Section 8910 of the Recipient Handbook outlines the separation of duties requirements. Should CalEMA conduct a monitoring field visit in the future, we would review all policies in order to evaluate your organization's accounting and internal control structure.

CalEMA is requesting a CAP addressing the above noted issues. Please refer to the attached Subgrantee Corrective Action Procedures when preparing the requested CAP. You are encouraged to work with your Program Specialist when completing the CAP. Please submit your completed CAP to the attention of Deena Mount no later than **JUNE 5, 2009** to:

California Emergency Management Agency
Local Assistance Monitoring Branch
3650 Schriever Avenue
Mather, CA 95650

Should you have any questions or concerns regarding this issue, please contact Deena Mount at (916) 845-8111 or deena.mount@oes.ca.gov.

Sincerely,

A handwritten signature in dark ink, appearing to read "Michael Baldwin for". The signature is fluid and cursive, with the last name "Baldwin" being the most prominent part.

MICHAEL BALDWIN, CHIEF
LOCAL ASSISTANCE MONITORING BRANCH

Cc: Ann Saldubehere, CalEMA Program Specialist



CALIFORNIA EMERGENCY MANAGEMENT AGENCY
LOCAL ASSISTANCE MONITORING BRANCH
3650 SCHRIEVER AVENUE
MATHER, CALIFORNIA 95655
PHONE: (916) 845-8120 FAX: (916) 845-8380

March 17, 2009

Ms. Faye Washington
Executive Director
YWCA of Greater Los Angeles
3345 Wilshire Boulevard, Suite 300
Los Angeles, CA 90010



SUBJECT: AUDIT REPORT FOR THE PERIOD ENDED JUNE 30, 2008

Dear Ms. Washington:

The California Emergency Management Agency (CalEMA), formerly Governor's Office of Emergency Services, has received the YWCA of Greater Los Angeles' response to CalEMA January 7, 2009 letter requesting your organization's plan to correct the issues identified in the auditor's management letter.

CalEMA finds that your organization's response for a copy of your written policy related to the receipt of cash and checks is insufficient since the policy you provided was for the bank reconciliation process. In the management letter, the auditor noted that all checks received and transmitted to the Fund Development Assistant were not tracked. The auditor recommended that your organization prepare a log for all checks received to ensure that the same number of checks received is subsequently transferred to the Finance Department for deposit and recording in the general ledger. Please provide CalEMA with a written explanation of the process your organization uses that corrects this issue or an approved written policy addressing this subject matter. The explanation or policy should include the identification of staff responsible for each step of the process. A copy should be sent with your Corrective Action Plan by April 17, 2009.

CalEMA has reviewed the credit card usage policy used by your organization and finds that it is insufficient because it does not indicate that original receipts or invoices for credit card purchases be attached to the credit card statement before submission for approval. The policy also does not identify the approval authority for the organization's Executive Director. Recipient Handbook (RH) Section 6410.1 states, "*The accounting system must provide accurate and current financial reporting information. All accounting records and supporting documentation must maintain a clear audit trail.*" Please revise your written policy so that it provides detailed information of credit card usage that illustrates the minimum division of responsibilities that ensures adequate internal control to safeguard grant assets. A copy of the policy should be included with your Corrective Action Plan by April 17, 2009. In addition, CalEMA strongly encourages you to implement the auditor's recommendation that management consider reducing the number of corporate credit cards issued and utilize monthly expense reports for reimbursement.

Although submission with the Corrective Action Plan (CAP) is not required, you are strongly encouraged to also update and expand your Bank Reconciliation Process to reflect greater detail by identifying the staff responsible for each step of the process to ensure adequate separation of duties. Recipient Handbook Section 6410.2 states, "*The project must establish and maintain a system of internal accounting control adequate to safeguard grant assets, review the grant accounting and*

Ms. Faye Washington
March 17, 2009
Page 2

financial data for accuracy and reliability, and promote operational efficiency." Section 8910 of the Recipient Handbook outlines the separation of duties requirements. Should CalEMA conduct a monitoring field visit in the future, we would review all policies in order to evaluate your organization's accounting and internal control structure.

CalEMA is requesting a CAP addressing the above noted issues. Please refer to the attached Subgrantee Corrective Action Procedures when preparing the requested CAP. You are encouraged to work with your Program Specialist when completing the CAP. Please submit your completed CAP to the attention of Mary LeClaire at the following location by April 17, 2009:

Mary LeClaire
Governor's Office of Emergency Services
Local Assistance Monitoring Branch
3650 Schriever Avenue
Mather, CA 95650

In the event you have any questions or concerns regarding this issue, please contact Mary LeClaire at (916) 845-8104 or Mary.LeClaire@oes.ca.gov.

Sincerely,

A handwritten signature in dark ink, appearing to read "Michael Baldwin for".

MICHAEL BALDWIN
BRANCH CHIEF

Cc: Ann Saldubehere, CalEMA Program Specialist



CALIFORNIA EMERGENCY MANAGEMENT AGENCY
LOCAL ASSISTANCE MONITORING BRANCH
3650 SCHRIEVER AVENUE
MATHER, CALIFORNIA 95655
PHONE: (916) 845-8120 FAX: (916) 845-8380

January 7, 2009

Ms. Faye Washington
Executive Director
YWCA of Greater Los Angeles
3345 Wilshire Boulevard, Suite 300
Los Angeles, CA 90010

SUBJECT: AUDIT REPORT FOR THE PERIOD ENDED JUNE 30, 2008

Dear Ms. Washington:

The California Emergency Management Agency (CalEMA), formerly Governor's Office of Emergency Services, has received and reviewed the Management Letter for the audit report issued by Green Hasson & Janks LLP on October 31, 2008.

In reviewing the document, the auditor noted that all checks received and transmitted to the Fund Development Assistant were not tracked. The auditor recommended that your organization prepare a log for all checks received to ensure that the same number of checks received is subsequently transferred to the Finance Department for deposit and recording in the general ledger. The Recipient Handbook (RH) Section 6400.1 states, "*The project must establish and maintain an adequate accounting and internal administrative control system.*" Please provide CalEMA with a written explanation of your organization's process for the reconciliation of cash accounts or provide a copy of any written policy you may have covering this subject matter.

The auditor also noted several issues regarding inappropriate controls over Corporate Credit Cards. The results of the auditor's testing implied that the current policy pertaining to corporate credit card usage is either outdated or is no longer able to ensure that proper controls are in place to monitor the appropriate usage. The auditor recommended that management consider reducing the number of corporate credit cards issued and utilize monthly expense reports for reimbursement. RH Section 11400 states, "*The organization must have written policies and procedures covering hiring, termination, conflict of interest, benefits, salary rates, leave, travel, etc. There should also be written procedures regarding the accounting and reporting functions In addition, any other policies and procedures (e.g., purchasing contracts) that relate to operating the project must be in writing.*" Please provide a copy of your organization's updated written policy that reflects the complete process for internal control of your credit card usage. In addition, we strongly recommend implementation of the auditor's recommendation to utilize monthly expense reports for reimbursement which would ensure that all receipts and/or supporting documents are submitted.

During the auditor's review of the Union Pacific Lease Agreement, it was noted that the YWCA is required to pay one dollar per year for leased space. Recipient Handbook Section 2232 states, "... Up to \$21 per square foot annually (\$1.75 per square foot per month) is allowed for facility rental ..." Recipient Handbook Section 2232.1 states, "Rental space for training and individual and/or group counseling rooms may also be charged to the grant if authorized in the terms of the program and providing the rental space charged is based on actual costs to the Recipient and not reimbursed by any other source." This is to remind you that only the actual costs of rent can be claimed for the Rape Victim Counseling Center Programs.

Please submit the requested documentation related to the reconciliation of cash accounts by February 9, 2009. The copy should be sent to:

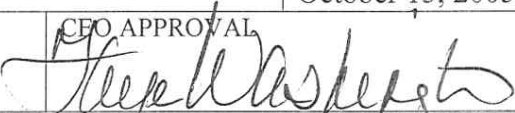
Mary LeClaire
California Emergency Management Agency
Local Assistance Monitoring Branch
3650 Schriever Avenue
Mather, CA 95650

In the event you have any questions or concerns regarding this issue, please contact Mary LeClaire at (916) 845-8104 or Mary.LeClaire@oes.ca.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "MBaldwin", with a long horizontal flourish extending to the right.

MICHAEL BALDWIN
BRANCH CHIEF

DIVISION Finance	SECTION Expense	PROCEDURE NO. 1:8	PAGE NO. 1 of 1
EFFECTIVE DATE October 15, 2005	REVISION DATE February 1, 2009	SUPERSEDES PROCEDURE DATED October 15, 2005	
SUBJECT OF PROCEDURE Credit Card Usage		CEO APPROVAL 	

A. PURPOSE: To establish a procedure for the proper use of Association credit cards by all employees.

B. POLICY: The credit cards issued to select staff should be used only for Association business and only used when payment by check or cash is not possible. Credit card purchases over \$ 300.00 must receive prior approval from a Senior Manager. Expenses are not to exceed their approved credit limit and/or budget.

C. PROCEDURE:

1. Employees that are issued an YWCAGLA Credit Card are responsible for collecting and keeping records of all purchases made with their assigned card.
2. Each employee will maintain their own credit card charge log (attached) to be filled out as follows:
 - (1) Date purchase was made.
 - (2) Name of vendor where purchase was made.
 - (3) Brief description of purchase and purpose.
 - For food purchases at eating establishments describe purpose and list names of guest on receipt.
 - (4) Department code of employee.
 - (5) Functional Finance code where the purchase will be charged.
 - (6) Amount of charge.
 - (7) Total amount of all charges.
 - (8) Show corresponding receipt number for individual charges. Receipts for each charge should be numbered by employee for easy reference.
3. By the 10th of each month employees should complete and submit credit card log to their supervisor for approval, then CEO for review and submission to the Finance Department for payment.
4. The immediate supervisor and/or CEO may disallow charges that are determined not to be YWCA related. Employees are not to use assigned credit cards for personal use.
5. Misuse of the Company Credit Card will result in loss of credit card privileges, and/or disciplinary action, up to and including termination.

5.3.1 Cleared checks are retrieved online provided by the bank. Checks are sorted by number and checked for duplicate or incorrect numbers. If any errors are found, a balance report for the date the check cleared is run online to view the check and correct the ledger. Bank statements can also be retrieved online provided by the bank.

5.3.2 Checks are totaled to and make sure the amount agree with the cleared check amount on the bank statement. This list will be used to match with the outstanding check register generated from Great Plains.

5.3.3 Deposits (bank credits) and any other bank debit except checks are reviewed, posted in the ledger through Great Plains and filed in the cash receipts binder.

5.3.4 In order to create an outstanding check list for the current month, current checks and prior month outstanding checks are needed.

5.4 A report is developed from Great Plains and run to ensure that checks have cleared the bank for the correct amount.

5.4.1 Once verified, an outstanding check register is generated from Great Plains.

5.5 The bank statement balance and book balance are posted to the bank statement ledger.

5.6 All outstanding checks are posted to the bank side and any adjustments from the prior month that is still outstanding.

5.7 Transactions that are on the books are posted. They will not appear on the bank statement until the following month.

5.8 An account history of each bank is run for the month to get an ending book balance.

5.9 Post transactions that are on the bank statement, but not posted to the books. After these transactions are posted, the bank statement should balance.

5.10 Copies of all reconciling items are made and attached to the bank statement for review by the Chief Financial Officer or Accounting Manager.

6.0 ASSOCIATED DOCUMENTS:

6.1 Bank Statement

6.2 Receipts

6.3 Deposit Tickets/Slips

6.4 Cash Receipts Journal

7.0 RECORD RETENTION:

- 7.1 Retention – Minimum period of 7 years
- 7.2 Protection – To be determined by Accounting
- 7.3 Disposition – To be determined by Accounting

8.0 REVISION HISTORY:

- 8.1 Description of Revision – Initial Release

*** * * End of Procedure * * ***